

CITY OF MORGAN HILL
JOINT SPECIAL AND REGULAR CITY COUNCIL AND
SPECIAL REDEVELOPMENT AGENCY MEETING
MINUTES - FEBRUARY 7, 2001

CALL TO ORDER

Mayor/Chairman Kennedy called the special meeting to order at 6:02 p.m.

ROLL CALL ATTENDANCE

Present: Council/Agency Members Carr, Chang, Sellers, Tate and Mayor/Chairman Kennedy

DECLARATION OF POSTING OF AGENDA

City Clerk/Agency Secretary Torrez certified that the meeting's agenda was duly noticed and posted in accordance with Government Code 54954.2.

CLOSED SESSION

City Clerk/Agency Secretary Torrez announced the following closed session item:

1.
CONFERENCE WITH LEGAL COUNSEL - POTENTIAL LITIGATION
Legal Authority: Government Code 54956.8 & 54956.9 © (1 potential case)
Real Property(ies) involved: APN 728-31-007 & 008; 25.50 acres located on the southwesterly side of
Road (St. Louise Hospital property)
City Negotiators: Agency Members; Executive Director; Agency Counsel; and F. Gale
Conner, special counsel
Closed Session Topic: Potential Litigation

OPPORTUNITY FOR PUBLIC COMMENT

Mayor/Chairman Kennedy opened the closed session to public comment. No comments were offered.

ADJOURN TO CLOSED SESSION

Mayor/Chairman Kennedy adjourned the meeting to closed session at 6:03 p.m.

RECONVENE

Mayor/Chairman Kennedy reconvened the meeting at 7:09 p.m.

CLOSED SESSION ANNOUNCEMENT:

City Attorney/Agency Counsel Leichter announced that no reportable action was taken on the above listed closed session item.

SILENT INVOCATION

PLEDGE OF ALLEGIANCE

At the invitation of Mayor/Chairman Kennedy, Planning Commissioner Pinion led the Pledge of Allegiance.

INTRODUCTIONS

Director of Community Development Bischoff introduced recently hired Office Assistant Dalinda Bates and Police Captain Sullivan introduced recently hired Community Services Officer A.J. Gonzales.

PROCLAMATIONS

Mayor Kennedy presented High School Students Gina Kwong, Tulsi Patel and Ryan Alter with a proclamation, proclaiming the week of February 11-17, 2001 as *Future Business Leaders of America (FBLA) Week*.

CITY COUNCIL REPORT

Council Member Carr reported that he served two years on the General Plan Task Force, chaired by Council Member Chang, as a committee member and currently as a Council Member (Vice-chair). He noted that the work of the Task Force role will be coming to a close. He indicated that the Task Force has officially accepted the General Plan update. He addressed the time line for review and adoption of the General Plan update, upon which it is scheduled to be considered by the City Council for adoption in June, preceded by public hearings before the Planning Commission and City Council.

CITY MANAGER'S REPORT

City Manager Tewes indicated that he did not have a report to present this evening.

CITY ATTORNEY'S REPORT

City Attorney Leichter indicated that the monthly litigation summary has been distributed to the City Council this evening and that the City is holding steady at five cases.

PUBLIC COMMENT

Mayor Kennedy opened the floor to public comment for items not appearing on the agenda. Vice-chairman Sellers indicated that a Housing Symposium will be held on Friday, February 9, 9:00 a.m. to 12:00 p.m. at Villa Mira Monte to address housing issues. He invited and encouraged individuals to attend the symposium. No further comments were offered.

City Council Action

CONSENT CALENDAR:

Mayor Kennedy removed Item No. 5 from the Consent Calendar.

Action: *On a motion by Council Member Tate and seconded by Council Member Carr, the City Council unanimously (5-0) **approved** Consent Calendar Items 1-4 and 6 as follows:*

1. **AUTHORIZE THE PURCHASE OF A REPLACEMENT VEHICLE FOR THE POLICE DEPARTMENT**

Actions: *1) **Authorized** the City Manager to Purchase a Replacement Vehicle for Use by the Police Hazardous Response Team; 2) **Declared** the Existing Vehicle P80-501 as Surplus; and 3) **Authorized** Disposal of Surplus Vehicle Through Auction.*

2. **PURCHASE OF PUBLIC WORKS VEHICLES**

Action: ***Authorized** Vehicle Purchases Through the State of California General Services Procurement Process for the Vehicles Identified in the Report for a Total Cost of \$79,307.34.*

3. **AMENDMENT TO CONSULTANT AGREEMENT - HARRIS AND ASSOCIATES INSPECTION AND PROJECT COORDINATION FOR 2000 STREET RESURFACING PROJECT**

Action: ***Approved** Amendment to the Consultant Agreement with Harris and Associates for Added Compensation of \$48,965 to Complete Construction Inspection and Project Coordination Services for 2000 Street Resurfacing Project.*

4. **AMENDMENT TO THE MANAGEMENT RESOLUTION - Resolution No. 5452**

Action: ***Adopt** Resolution No. 5452 Amending the Management, Professional and Confidential Employees Resolution No. 5320 to Reclassify Accounting Technician Classification as Confidential Non-Exempt Employee.*

6. **MID-YEAR 2000/01 BUDGET REVIEW**

Action: 1) Approved Transfer of \$244,000 to Community Center Operations Fund, and 2) Approved Proposed Mid-year Budget Adjustments for 2000/01.

5. **COYOTE VALLEY GREENBELT - Resolution No. 5453**

Mayor Kennedy informed the public that the City Council will be directing staff to work with the Santa Clara County Planning Department as they go through the issue of Greenbelt discussions in order to preserve the Greenbelt.

Action: On a motion by Council Member Tate and seconded by Vice-chairman Sellers, the City Council unanimously (5-0) Adopted Resolution No. 5453 in Support of Greenbelt Preservation.

City Manager Tewes indicated that staff will be requesting that Agenda Item 8 be rescheduled for a future date.

Action: It was the consensus of the City Council/Agency Commission to consider agenda item 14 at this time.

Redevelopment Agency Action

OTHER BUSINESS:

14. **SELECTION OF LIBRARY ARCHITECT AND AGREEMENT FOR ARCHITECTURAL SERVICES FOR THE LIBRARY BUILDING PROJECT; AND AGREEMENT FOR CONTRACT NEGOTIATIONS**

Recreation Manager Spier presented the staff report. She informed the City Council that Janet Tam, Merideth Marschak, along with Sara Flowers, community librarian, were present to answer questions that the City Council may have.

Chairman Kennedy opened the floor to public comment. Evelyn Kobayashi, speaking as an individual and not in her capacity as Library Commission Chairperson, thanked everyone for the time and concern that has been put into the library project. She stated that she descended on the decision to hire the library consultant. Her reasons were as follows: 1) the short time between the close of the RFP and the decision meeting (no viewing of their buildings was possible nor offered). 2) The proposal presented was not nearly as developed in its application as others were. 3) The Library subcommittee was advised that this firm usually has ten individuals on technical staff, noting that they have committed to seven other Proposition 14 projects, making Morgan Hill their eighth Proposition 14 project. She felt that this ratio is bad and that it would affect the quality of work, time, individuality and imagination put into each project. She felt that the

quality questions have the same implications, even if temporary employees were added to the firm. She stated that she was on the majority side of the Library Commission and the site selection steering committee who preferred the Edmundson-Gunderson site. She encouraged the City Council to look at this site again. She felt that Proposition 14 funding may go against Morgan Hill because of the selection of a site that is not well suited to serve the community for many decades. She did not believe that the DeWitt site is synergistically located with other cultural and commercial elements or the downtown. She felt that the City Council frequently ignores the considered, processes, and conclusions of its own appointed commissions. She felt that the project is going in the wrong direction. She submitted her resignation from the Library Commission. No further comments were offered.

Action: *Agency Member Tate made a motion, seconded by Agency Member Carr, to **Authorize** the Executive Director to Negotiate, Prepare and Execute: 1) Contract with Noll & Tam Architects for Design Development and Construction Documents for the Library Building Project at a Cost Not to Exceed Their Proposed Fee but to Be Revised to Reflect a Negotiated Scope and Fee Which May Include the Following: Library and Civic Center Site Master Planning; Schematic Design; Prop 14 Application; Design Development Construction Documents; Construction Bidding; Construction Administration and Reimbursable Expenses, 2) Contract with Richard Sampson Associates for Negotiating the Architect's Agreement at a Cost Not to Exceed \$6,500, and 3) Confirm the Civic Center Site as the Location of the New Library Building.*

Agency Member Sellers regretted Library Commissioner Kobayashi's actions. He said that he found it discouraging to hear the comment that the Council frequently ignores the well considered advise of Commissions and other groups. He has found in the 2.5 years he has sat on the Council and many years prior to that, in observing previous Councils, that this is not the case. He stated that there were mitigating circumstances, evidence and important considerations that the City Council had to consider in making its decision to move forward with the civic center site (e.g., Proposition 14 issues). He felt that the City should focus on one site and appreciate the challenges that it will present to the architects. He had the utmost confident that City staff will make sure that the city receives the best from the architects and all involved in this project and that the City Council will be advised should concerns arise in the future. He stated that he would be supporting the action this evening.

Chairman Kennedy concurred with Agency Member Sellers' comments and stated that he values the opinions of the Council's advisory committees and commissions. He felt that the City is fortunate to have outstanding members on the Commissions. However, there are times that the City Council has to disagree with the commissions for a variety of reasons. He felt that the Council is obligated to make the ultimate decision.

Vote: *The motion carried unanimously (5-0).*

Agency Member Tate stated that he has enjoyed working with the architect and moving forward with the project.

PUBLIC COMMENT

Jim Wright stated that although he is a member of the Senior Advisory Committee, he was not speaking for this group but speaking as a senior. He felt that it was inadvisable to have the senior center located off of Edmundson Avenue. He indicated that he has an alternative site in mind that would serve the seniors better than the Edmundson Avenue site.

Mayor Kennedy announced that Item No. 10 has been postponed to February 21, 2001.

PUBLIC HEARINGS:

7. APPLICATION ZA-00-09: ST. LOUISE - SAN JOSE CHRISTIAN COLLEGE

Director of Community Development Bischoff presented the staff report. He informed the City Council that the Planning Commission determined that in the foreseeable future, San Jose Christian College (College) would expand the use to include uses shown on the master plan. The Planning Commission found the application to be incomplete as it did not confirm with the City's PUD requirements for development of a full master plan. Also, the environmental assessment was found to be incomplete as it did not consider the foreseeable future development and the potential impacts of the expanded use. The Planning Commission is recommending that the mitigated negative declaration not be approved and that the zoning amendment application be denied. He indicated that additional information was distributed to the City Council this evening which includes a summary of e-mails/phone messages received over the last few days. Also, before the City Council is Planning Commission resolution of denial and a resolution recommending conditions of approval, should the City Council wish to approve the request. He reiterated that the Planning Commission is not recommending Council approval but felt that it was important to provide the City Council with recommendations on the types of conditions that should be included should the City Council decide to approve the application.

Council Member Chang asked what is proposed by the College in the foreseeable future? Mr. Bischoff responded that the applicant and one of the Commissioners identified, through the College's web site, plans for expansion. Based upon representations made by residents of the neighboring subdivisions who met with college officials independently, it was felt that there was sufficient evidence to require a detailed and thorough environmental review before project approval.

Council Member Chang stated that it was indicated that College representatives met with Planning Manager Rowe on February 23, 2000 regarding the design of a new gymnasium. She inquired as to the nature of the discussions.

Planning Manager Rowe stated that he met with Gerry DeYoung, the applicant's land use consultant and the applicant's architect on February 23, 2000 to discuss what would be involved with the preparation of an application for the reuse of the hospital site for a college, including the submittal requirements. There was discussion in that meeting regarding the reuse of the buildings and a proposal for a gymnasium with adjoining athletic fields. He stated that the initial application submitted in May 2000 showed an area labeled future gymnasium and indicated square footage and associated parking adjacent to the building.

Mr. Bischoff clarified that the applicant is not proposing to include a gymnasium as part of this application. He stated that the current map has an area labeled "possible future gymnasium/multi use sports facility," noting that this set of plans is labeled different from the original plans submitted. He stated that the plans dated May 2000 identified a future gymnasium as well as other information in terms of square footage and size of buildings. Staff expressed concern that approval of a plan with this level of detail would grant an entitlement to the applicant without environmental review. Staff felt that additional information was needed so that it could adequately evaluate the proposal from an environmental point of view.

Council Member Chang noted that the new submittal does not identify specific square footage but depicts a big square building for a future gymnasium.

Planning Manager Rowe stated that following the May 2000 submittal, staff provided correspondence in July to the applicant regarding the contents of the PUD. Following receipt of the letter, the applicant contacted staff and indicated that the level of specificity being requested by staff could not be provided because they were uncertain how they were going to proceed. Staff received a letter dated August 10, 2000 from Dr. Edrington with a resubmittal indicating that they wished to revise their May 22, 2000 application to amend the PUD zoning, noting that the zoning amendment request is for the conversion of the existing facility on site and not new facilities. It is further stated in the letter that they do not have a clear picture of what facilities would be proposed at this time to provide information being requested. At such time that they can more precisely determine the future needs, the applicant would request a modification to the PUD that will identify the size and the location of future facilities. Staff received the plans dated August 11, 2000 furnished to the City Council this evening that illustrates "possible" uses of the site.

Council Member Sellers stated that he reviewed the traffic study conducted as well as other documents provided. He said that it is known that the current traffic is difficult at the Mission/Cochrane intersection. He asked if the installation of a traffic signal at this intersection was based on the new use?

Mr. Bischoff concurred that the traffic has worsened in this area of town. The traffic study looked at the existing conditions and evaluated the impacts of added traffic. It was found that the additional traffic would degrade the level of service at this intersection below the City's standard and that the only way to avoid the significant adverse impact is to install a signal light. He said that there are many places in town that have been identified in need of a traffic signal. The cost to install the signals has been incorporated in the City's

traffic impact mitigation fee. He informed the City Council that this intersection was not identified as an intersection that needs to be signalized in the study that helped in the implementation of traffic impact fees.

Mayor Pro Tempore Sellers noted that the statement of operation indicates that classes will start at 8:00 a.m. He asked if the traffic study or any other information suggests that the start time of the classes would be off peak hours?

Mr. Rowe responded that there was discussion regarding traffic impacts. The consultant noted that at the a.m. peak hour, the traffic would be headed northbound and the traffic going to the college would primarily be reverse direction. Based on this fact, the traffic consultant suggests that the college would not degrade traffic further. He noted that the Commission is recommending a mitigation that would monitor the use following commencement. Among the mitigations that could be required is adjusting the scheduling of classes to make certain that they occur at times opposite peak hours.

Council Member Chang requested staff assistance in the review of the demolition plan as they relate to the general notes, noting that Phase I refers to a non structure demolition of selected interior and Phase II addresses building remodel with a separate building permits and Phase III addresses future additions, new construction, and future building permits.

Mr. Bischoff stated that the College applied for a demolition permit to remove some of the interior walls within the hospital building and the medical office building. This is separate and distinct from any other applications or permits that may be filed for new construction within the interior of the building. Reference to Phase I non structure demolition is to demolish interior improvements in the building that are non structural. Phase II, building remodel would be subject to a separate building permit. He did not know what the note under Phase III meant as it relates to future additions, new construction and future building permits.

Mayor Kennedy opened the public hearing.

Dr. Roger Edrington, executive vice-president of the College, informed the City Council that the College has been looking for a new campus and that they have found a site in Morgan Hill that fits their needs perfectly. He felt that the community would benefit from the College's presence. He was sorry and disappointed to see that this has become a political battle. He felt that the zoning application has been held hostage to medical services, noting that the application has been on hold for five months in order to allow the Blue Ribbon Task Force (BRTF) the opportunity to conclude its charge. He did not believe that the BRTF has come up with an alternative that would restore a community hospital on this property. Last night, at the joint Task Force and special City Council meeting, there was great passion and enthusiasm for a hospital in Morgan Hill. However, questions after questions went unanswered because there is no substance for these good intentions. Although a thick binder was presented last night, it became more evident that there are no justifications for a community hospital even though it is desired. No one spent time

to show that the previous data commissioned by the City was in error. The Task Force only gave the slogan "if we build it, they will come." He noted that people did not come in the past and that things have gotten worse for medical services. All that is being proposed is a conglomeration of medical businesses. Cost and loses would be astronomical and would show that the City would be in the healthcare business again real soon. He noted that this is one thing that the Council has indicated that it did not want to be in. He felt that the College is a perfect use for a property, noting that the general plan designates the site as public facilities that allows private higher education as a use.

Dr. Edrington stated that one thing that he has found in this process is that there are several other good options and properties for medical services in Morgan Hill, noting that the BRTF did not mention other options for medical services. He inquired as to the motive to bury information about options? He felt that the City Council should set the example for the rest of the community to get over their sorry over the loss of the Hospital and move onto another plan and another site. He noted that another way to bring medical services to Morgan Hill is to approve the rezoning as recommended by staff. He felt that a hospital is wasting the City Council's and the community's time. He felt that a \$2 million promised gift could be used to recruit the most needed element of medical services – doctors. He felt that it has been made clear in this process that there is plenty of property which can be zoned for a hospital in the future, when needed. He felt that a medical facility could have been under construction a year ago and that the College would have joined the City in the celebration of the new facility. Should the City Council chose to deny the zoning, he felt that the City would still be waiting for a medical facility two to four years from now.

Dr. Edrington found it disconcerting that individuals have indicated that they would do what they could to discredit the College. He felt that there is no merit to the charges that they have been lying about the future plans for the College site. He tried to be honest with dreams and visions for the future. He said that the boxes included in the plans were the boxes for the original hospital, noting that there are 750,000 square feet of building already approved. He filled the boxes with names of future uses as staff wanted more information than was presented. He found the Planning Commission's decision to be based on a misunderstanding as a couple of the Planning Commissioners failed to understand the differences between plans and visions. Staff understood the distinction and defended the Christian College's decision throughout the process. After a two-week study of the matter, the City Attorney gave her opinion that this was legal, fair and a good application. What is unfair is for a group of citizens on the Planning Commission to change the rules after staff gave their approval. He said that he is willing to answer questions raised but felt that individuals were trying to buy time. Individuals are trying to find some hope in dreams as they relate to the reestablishment of a hospital. In the meantime, a college property sits empty. He felt that the City Council will hear emotional stories of why people want a hospital. He hopes that the City Council will listen carefully to the testimony of students who are ready to move onto the new campus. Many will state that the time is right for San Jose Christian College. He felt that the College impacts are less than that of the previous use. He felt that the purpose of city government is to be fair and to serve the people. When someone has a fair, legal and a good project, city government has an obligation to serve its citizens. He requested that the City Council do what is right and that is to approve the site for their college. He felt that

the City Council will be known for one of two things: the folly of Morgan Hill or the future of Morgan Hill. He felt that the College is the future of Morgan Hill at this site. He requested approval of the zoning amendment.

Mayor Kennedy addressed the question of a plan versus a dream and/or reality. He stated that it was his understanding that the College came forward with a proposal to the Planning Department. He said that it has been the College's dream to build a larger facility than the current one. In the first submittal, it was his understanding that the College wanted to ultimately build a larger facility. Staff advised two alternatives: if the College wanted to proceed with the full-blown plans, it would require an environmental impact report that would involve the full process. If an alternative was chosen, the College could indicate the minimal facilities needed at the current time, but that there was a risk that the application would be denied or ultimately asked to go through a full CEQA environmental process.

Dr. Edrington responded that this is a partially correct assessment of what happened. He said that staff requested renderings of architectural styles but that the College was not ready to submit plans to this level of specificity.

Gerry De Young, planning consultant representing the College, stated that when the College began to look at this facility, he looked at it in the context of the approved planned unit development. Discussions with staff led to the direction of amending the PUD. This focused his attention to the existing PUD that showed approximately 750,000 square feet. He addressed the boxes that would represent support/ancillary facilities supporting the hospital. The boxes indicate the hospital's anticipated extension of the nursing wings. Also, depicted were future administrative wings, medical office buildings, and a senior housing project. The College's submittal was based on what was approved and what could be built absent the hospital's demise of a year ago. The plan began to describe future visions that applied to the boxes. This was done to try to allay community fear as to the uses and structures. He ran into a problem in that the City's PUD requires specific information. Not only did buildings have to be identified, the future architecture and landscaping also had to be identified. He stated that approximately a year ago, he listened to the GPTF discuss PUDs and TUDs. He recalled that Mr. Bischoff stated that none of the PUDs or TUDs proposed in Morgan Hill were ever built according to the original approved plans. He said that he tried to describe to the community what the future vision might be without knowing what the vision really was.

Mayor Kennedy clarified that the entitlement for the land is a hospital and medical facilities and not a college. He asked why would the College proceed with the assumption that it would get the zoning to change from hospital/medical facility to a college?

Mr. DeYoung responded that he was trying to make a linkage between the impacts to a community from a hospital and the impact from a school utilizing the facilities shown. If you look at the original traffic analysis and the response from the city's consultant, it related to looking at the dynamic of what impact the hospital

had as projected and that of the College. It was only later when the Planning Commission began to discuss the application that they began to ask specific questions. He was trying to create an apple and apple comparison, not withstanding that the land use was different.

Mayor Kennedy did not know how this could be an apple and apple comparison as the traffic patterns for hospitals are different from that of a college. He stated that individuals moved to the area based on the existing zoning.

Mr. DeYoung stated that land use changes all the time in cities as facilities are updated or closed. Considered was whether the existing PUD could be used as the base line against the traffic of the College. He stated that he tried to make the case in the beginning that because the PUD allowed 750,000 square feet of building, the base line should be 750,000 square feet of potential traffic because the PUD was approved. Planning staff indicated that this was not the case. While the PUD was approved at such time that additional facilities were acquired by the hospital, staff would have required additional environmental analysis. It was decided to proceed with an analysis on the existing facilities with the understanding that a condition of approval would stipulate that any additional facilities would require City Council approval.

Council Member Chang requested an explanation on the demolition general note relating to phase III, future additions, new construction and future building permits. She felt that this implies that the College proposes new construction.

Dr. Edrington stated that he did not know that the demolition permit would have anything to do with the zoning application. He was told that a permit could be obtained over the counter. He was surprised to see that it was included in the plans before the City Council this evening. He felt that this was a standard note included in the plans by the architect. He indicated that BGFC Architects prepared the plans and that he was not aware of the note.

City Attorney Leichter stated that as the note was placed on the plans, the applicant must have had discussions with the architect that led him to place the note on the plans. She clarified that city staff do not direct architects as to what notes are placed on plans.

Dr. Edrington said that the architect worked with City staff regarding what was needed on the plans. He said that he did not realize that the plans contained the amount of information that it contained.

Council Member Chang indicated that she read the College's web page and that it indicated that a radio station was proposed. Dr. Edrington stated that a radio station was a vision of the president and that it was found that there was no frequency to establish a radio station. Therefore, it was ruled out.

Council Member Chang asked why the College wants to locate to Morgan Hill? Dr. Edrington responded that the College needs to be moved to a larger site. It is felt that this is a perfect site for the College. Also,

it is felt that a small city like Morgan Hill would be a good interface for the College. It is felt that the College would contribute considerably to a small city like Morgan Hill.

Council Member Chang inquired if there is funding for the current plans and for future expansions? Dr. Edrington stated that the College is trying to raise money for this property and that funding is not near what it takes to purchase the property at this time and that there are no funds for future development. He indicated that this is a faith-based organization of donors who give money. He indicated that student tuition pays 60% of the expansion and that this is the kind of project that donors become involved. However, he has not been able to fundraise significantly because the College has not been able to tell donors what will happen due to the current situation.

Council Member Chang asked what happened to the current College site? Dr. Edrington responded that the current five-acre site is too small. The College has been looking for a site at various times but that money and financial concerns have been a major issue. He indicated that the site has been sold to a church who would like to occupy it as soon as possible and that the site is in escrow at this time.

Council Member Carr noted that it was stated that the College currently has 250 students. He inquired as to the time that it would take to reach a 500-student enrollment? Dr. Edrington stated that he does not have an exact timeline. There are several things that he predicts would cause growth. One would be a new campus as the current site is limited by both the attractiveness and by size/space for offices and students. He looked at numbers but that he does not have an exact timeline. He stated that the college population has been staying flat the past five years. He clarified that there are over 400 students all together, noting that they are not all traditional students.

Eric Hilding stated that he did not see the request as a major zoning decision as much as a slight alteration of the spiritual and educational infrastructure in place. He felt that the College community, the City of Morgan Hill, and residents will enjoy having the College in the community. He requested that the City Council do what is necessary to make the College a part of the family of Morgan Hill because it will be a positive regional influence.

Zsolt Halmos expressed concern with what will happen if the property is rezoned. He was not clear how the city would get another hospital. He was also concerned with the underlying motives of Catholic Healthcare West (CHW) concerning the deed restriction placed on the property. He felt that CHW had obvious motives for not allowing another healthcare or medical use in the existing facility. He felt that the College jumped into the area without knowing if the property could be rezoned. It was not the city's duty to rezone the site because the College does not have another property to go to. He indicated that he resides across the street from the property and that a majority of area residents support retaining the medical zoning designation. He requested denial of the zoning amendment request.

Keith Robertson, representing seniors in the community and Las Casas de San Pedro, stated that medical

facilities are needed in Morgan Hill that includes a hospital. If the hospital is allowed to go away, it would take a long time to get back the facilities needed versus keeping the existing building and work around it. He indicated that seniors depend on public transportation to access a medical facility. Therefore, the proximity of healthcare is important. He said that it has been stated that a detriment to hospitals is the HMOs who take away patients from local physicians. He stated that HMOs have a ruling that in case of an emergency, you are taken to the closest hospital available. Therefore, it is important to have a hospital in Morgan Hill as it can serve seniors as a group.

Jerry Vinciguerra indicated that he is a voting member for the Board of Directors for the Mission Ranch Homeowners Association and that he was the individual responsible for the petition on file from Mission Ranch stating that it wants to keep St. Louise as a hospital site and to disallow the College's request to rezone. He attended the first Homeowner's meeting they were invited to by the College where plans were presented for future growth. The plans depicted a sports field, arena and housing for additional students. A question raised at that time was who would be staffing the college. It was indicated that the College would be bringing their staff from San Jose. If this is the case, it would result in no new jobs being created for Morgan Hill residents. He stated that the community wants to have the quality of life that was guaranteed to them when they moved to Morgan Hill, that being a hospital in the vicinity. He hoped that the City Council would not vote to leave Morgan Hill residents at the mercy of the hospital located in Gilroy. He requested denial of the zoning request.

Cristin Enders, College student, stated that she has attended meetings over the past several months. At these meetings, citizens voiced their concerns regarding the conduct of San Jose Christian College students. As the student body president, she was in attendance to advise the City Council that there is a difference between Christian college students and what has been presented as a typical college student. She felt that the College would bring a set of young men and women who would be great examples to the youth and who are eager to get involved with the community through various service projects. She felt that college students bring potential economic benefit. The College also wants adequate healthcare available. However, holding the zoning of the College hostage hurts the students. She requested that the city and the community allow them to demonstrate how different they are. As they will be good neighbors and a benefit to the community.

Gavin Daprile indicated that he is the president of the Coyote Estates Homeowners Association located near Peet and Cochrane Road. He stated that the closer one is to a hospital, the faster you get care, and the better chances for survival. He stated that students do not make a lot of money and will not add to the economy. The College stated that their future expansions are not dreams, but dreams that can attain resources in order to see their dreams come true. He said that the College has had their largest enrollment this year. He requested that the zoning be retained as a hospital and that the City Council not approve the zoning amendment request.

Mhalo Odyuo, senior student at San Jose Christian College, indicated that she comes from the country of

India. She felt that the College has afforded her a great learning and training environment but has also given her an opportunity to be build relationships with many amazing and committed students from all over the world. She requested approval of the zoning application so that the College can train dynamic students, including students like her from all over the world.

Hank Quinn urged the Council to reserve the medical services classification of the original St. Louise Hospital site. He indicated that in central New York, every village, no matter the size, had a hospital. He was appalled that a city with a population of 33,000 and still growing rapidly would consider going without a modern, full service hospital facility. He distributed a history synopsis of the Geneva, New York hospital. He felt that a hospital needed to be resurrected without delay. All he has heard this evening from the supporters of the College are negative thoughts about having a hospital, noting that the building was designed to be a hospital and not a college.

Roger Salstrom addressed the HOM study, the BRTF survey, the College, and other factors. He stated that the HOM study indicates a growth rate in the City and the surrounding vicinity at 1% per year. The HOM study states that two modern healthcare delivery concepts fit this community better than reopening a hospital. He felt that results from the survey should always be suspect. The survey states that 88% of the people would have their needs met with a 24-hour clinic. This increased to 93% with a full service hospital. He felt that there was a big difference between needs and wants. The BRTF did not perform a financial analysis on options, noting that the options identified did not meet the City Council's objectives. The College is a well known international college, has been around for 60 years and has an excellent reputation. Students are not like other college students. An art college is planned in partnership with Thomas Kinkade. He felt that the College would be an asset to the community. Another factor to be considered is that hospitals have been closing at a rate of 3 per year in California for the past 10 years as 50-60% lose money. Small hospitals are not as safe as larger ones on risky operations. There is speculation that Cisco may be down sizing its move into Coyote Valley. The BRTF reported that no proposal met the Council's objectives but that without a financial analysis, they recommend a hospital. He stated his support of the zoning amendment. The BRTF report states that it would cost \$1 million per bed, resulting in a purchase price of \$60-\$90 million based on a 60-bed facility. He informed the City Council that his work place received a harassing phone call from a member on the BRTF.

Dennis Pinion, Planning Commissioner representing himself this evening, felt that this is fundamental land use issue. An EIR must describe and analyze a larger future project if the larger project is a reasonable consequence to the initial project or phases of an initial project. He felt that the future project would likely change the nature or the scope of the initial project. He stated that the analysis of a larger project does not require that everything be foreseeable. This would apply even if it is impossible to predict the future project's environmental effects as long as these effects can generally be discussed. He noted that in the College's web site and in their publications, they indicate that they plan to grow to over 1,600 students on the site soon. He felt that an EIR is necessary to examine the social, economic, health and safety issues, and traffic impacts associated with the change. The College has repeatedly stated that the hospital can be

located in many other locations in the city. He felt that the same could be said for the college. He did not believe that they have examined other locations in the city. He found it interesting that the BRTF was criticized for not being able to finish their job under pressure by the College, and yet, the College has not been able to come up with specifics for their planning during this time period. The College's testimony at the Planning Commission hearing was that they have not looked at any other properties in the city. They also testified, in other occasion, that they have been actively looking for years and that they had looked at many other sites. For some reason, they were not able to secure the sites. He felt that it could be possible that another community disliked the impacts.

John Scully stated that when he moved to Morgan Hill four years ago, a main consideration was the hospital. His health demands immediate help. He felt that a hospital was a matter of a life or death situation.

Doug Crozier, Church Development Fund (CDF), Inc., serving as the chief operating officer, stated that CDF is the owner of the St. Louise property. CDF and the College have been partners in ministry for many years. CDF is a national organization that works with churches and para church organizations all over the United States. He is currently working with several other colleges and universities in two different states. He indicated that CDF is currently acquiring another facility that was a former medical facility and that the city they are working with has gone the extra mile to assist the college to receive its entitlement in less than 60-days versus the required six months. They saw a value associated with the college in their community. Not only is tax revenue generated from the facility and students but the future partnership that would make their city a better place. He felt that a decision needs to be reached as this has gone on too long. He recommended that the City form a unique partnership with the College. He stated that he has attended some of the meetings held over the past nine months. He has read every report, every newspaper article and every editorial. He felt that the City's focus was on the wrong issues as the reports and studies have been stating that the College property is not a viable site for a hospital unless someone wants to lose millions of dollars. He requested that the City allow the College to move into the city and onto the property. In response to City Attorney Leichter's question, Mr. Crozier stated that he signed the CC&Rs on behalf of CDF. He recalled that the document(s) contained a deed restriction that the property cannot be sold for medical uses. He did not answer the question as to whether he sought legal counsel before he signed the document(s) as he did not believe that this was a hearing for him to be asked these questions. He deferred further questions relating to the documents in the transaction to his legal counsel.

Marge Crist stated that she moved to Morgan Hill three years ago to retire near her children. She was fortunate to find a hospital with her doctors located in the same building. When the hospital was taken away, she lost her doctor. She stated that she has to commute to Gilroy and San Jose to meet her various medical needs versus a one stop facility. She said that if you are seriously ill, it can be a serious problem. She requested that the hospital be given back.

Rocke Garcia indicated that he submitted a letter objecting to the negative declaration under CEQA,

including a letter from Amy Glad, an attorney for the Home Builders Association. He said that there are three specific issues being raised regarding CEQA: 1) there is a failure to address the cumulative impacts of the project; 2) the project proposal concerning dormitory housing for 160 students is presumed to be exempt from Measure P (he felt that it would affect the City's growth control policies and their population numbers); and 3) the proposal fails to address the impact of converting the buildings from a medical facility into an educational facility. He stated that this is not an application by a college seeking to develop a facility on vacant land within the community but a displacement of a specific designed healthcare facility which has been designated as a vital need in the community. He felt that additional analysis of this proposal is needed and that the appropriate method to perform this analysis is a complete environmental report that looks at the growth potential of the College and its cumulative impacts. The analysis should specifically consider the impacts of losing the opportunity to immediately implement the restoration of community healthcare facilities in Morgan Hill. If development affects the endangered species habitat on site, it would require a thorough environmental review. He felt that a proposal that affects the opportunity to reestablish a healthcare facility to serve the people of Morgan Hill requires a more thorough review.

Josh Christian, senior at San Jose Christian College, indicated that he is director of Junior High Ministry at Valley Church located in Cupertino. He stated that the current school is landlocked and has to relocate. He indicated that College students are good and caring individuals.

Dennis Kane, Morgan Hill resident, stated that he did not have problems with the College students. He felt that the sermon presented by Dr. Edrington was just that, a sermon and had nothing new to add. He listened to a news report on Highway 101 that indicates that it will be completed in 2003. It was stated that once completed, it will not be sufficient to handle traffic. He indicated that his wife is in attendance in a wheel chair. The doctors advised her that had she not been close to a hospital, she may have lost her leg and maybe her life. Therefore, he felt that the hospital is needed in the community. He would like the City to place its efforts in finding individuals to run the hospital and bring it to reality. He had a vision/dream to see a hospital in the community to house the sick and to be cared for. He requested that the zoning application be denied.

Steve Salazar stated that he serves on his church board and is a student at the College. He requested that the Council not vote on emotions or with a biased action but that it vote with integrity.

Bernie Mulligan indicated that the BRTF was charged with bringing adequate community healthcare services. It is felt that this charge has been accomplished although the opposition does not believe that it has. He stated that medical care in Morgan Hill is deteriorating at a very rapid rate. A hospital is critical in retaining and attracting primary care physicians in Morgan Hill. He noted that the site is zoned for a hospital and that it is the only site in Morgan Hill that is zoned for a hospital. Locating and rezoning to another site would add another 9-12 months in time. It is BRTF's belief that a medical office building and urgent care facility could be operational within six months. Since the site was used for a hospital recently, it would be easier to get it re licensed. The location has easy freeway access and is easily found by

individuals not familiar with the area. It also affords good access to the rest of Morgan Hill. The location is closer to the expansion of mid Coyote Valley. He stated that there is an urgency and requested that the City Council not close one of the critical options. The northern location of the hospital site will help attract patients from south San Jose. Restoring the former St. Louise Hospital site would be significantly less costly than building a replacement facility. It has been stated that it would cost \$1 million per bed. It is important to have enough land for expansion and to provide for all medical services in one location, noting that the old St. Louise site has room for expansion. He indicated that the Broadcaster, winter 2000 edition, contained an article entitled "We are on the move." The article states that after attempting to secure land and build at 11 different sites, the decision was made to take down a number of houses and build on the current campus. However, when the plans were presented to the neighborhood association and the City of San Jose, they were met with strong resistance. They did not want the college to remove the homes and build a collegian structure because it would forever change the face of the neighborhood. He indicated that the BRTF is developing plans for urgent care and would be made available at the next Council meeting.

David Blue, junior at San Jose Christian College and a member of the mens basketball team, stated that he transferred from Southern Oregon State University to the College for many reasons. He wanted to attend a school that would help him grow spiritually. His time at the College has been a contrast to his previous college experience. The student body at the College is like a large family, keeping each other accountable and helping one another to grow as young adults. The college atmosphere has allowed his family to feel comfortable living on campus. It is the goal of staff, faculty and the students to hold everyone accountable for their mistakes and to learn from them. A college in Morgan Hill would allow the athletic programs to reach out to the community with basketball camps and provide other outreach programs. He was advised that a gym would not be built on the facility and that space would need to be rented from another high school or junior high school.

Drake Fenn, pastor at Family Worship Center, stated that he has attended meetings held the last two days with members and leaders of the faith community from across the bay area. In one of the sessions, the question concerning the College came up and it was requested that they pray for their mission. It was stated how valuable the college has been to them. They testified to the positive character of the students and the facility. Many students have moved on to serve faithfully and positively in local communities. He said that it has been stated repeatedly that this site is not viable for a full service hospital. To continue the hopes of the community of having this site for a full service hospital would be unfair to the residents of Morgan Hill. He felt that the city needs to move on from this issue. By approving this project, the City Council would be taking the next step toward total positive community transformation. He requested that the City Council consider voting for the College and the zone change.

Dick Oliver indicated that he represents the developer of Coyote Estates and Mission Ranch projects. He stated that he serves on the Board of Directors for both of these homeowners association. He stated that development of these projects occurred in 1989. And thus, after 12 years the projects are approximately 50% complete. He felt that it would take approximately 5-10 years before both of these projects are built

out based upon the Measure P process. He addressed Measure P issues. The fact that there will be faculty and student residents at the college site and counted in the census, they would go against the population of the City. The population addition would preclude developers from building the appropriate number of homes that equate to the number of people in the College. He felt that this would be a violation of Measure P and would not be allowed. If there was a legal opinion that would clarify the fact that there is no way that the individuals who reside in the College campus would be counted in the population of Morgan Hill for the purposes of Measure P, he would not have a problem with the College. If the College's population is counted and detracts from the amount housing that would be available for developers to build, it would drag out the length of time for builders to finish their projects.

Art College stated that the patient (hospital) has been dead for more than a year and died a prolonged death due to economic arrest. He did not believe that any amount of temporary or selective recessionation would bring it back to life. He felt that the window of opportunity is gone and that the point of no return has been reached. The hospital cannot be returned to the level of activity that it once had nor is the economic or demographic statistics available to sustain it even if it could be revived. Even if it was possible to revive the hospital, the economic quality of life would be severely curtailed, thus leading to a second attack of economic arrest. Should the City Council deny the zoning amendment, it would be punishing the living for the dead. The living are those who want medical facilities now and those who want the vitality of a four-year Christian College in the community. Assuming denial of the application, the next stop would place the process before the court, resulting in a process that would take approximately two years. He felt that everyone would be a loser. He felt that it was time to stop mourning what has been lost and begin to focus on what can be gained and built in the community.

Jordan Jiang, representing the River of Life Christian Church located in Sunnyvale, stated that the church congregation conducted a 40-day fast/prayer chain during the past month and a half. It is hoped that the situation ends up in a win win situation for the City and the College. He requested Council approval of the zoning application. In response to Council Member Chang's question, he stated that the close of escrow was contingent upon approval of a zoning amendment of the Cochrane/Mission View site.

Jeromy Johnson felt that this is a great opportunity for both entities to join hands. He supported the College's relocation to the city as Morgan Hill can benefit from higher education. He felt that local medical services currently exist in Morgan Hill but not higher education. Higher education would result in higher working classes and higher revenues. A quality student body would invest money toward higher education. He noted that Thomas Kinkade has embraced the college. It frightens him that the City is getting involved in a real estate sale and is even considering the use of eminent domain.

Monty Boyd stated that last week his 81 year old father needed emergency response. By the time he gave the necessary information, the Morgan Hill Emergency Response Team was at his door transporting his father. He noted that a hospital was not close to take his father because a hospital has not been successful in the community. He would like to see the college come to the community and take over the site. He

expressed concern with the legal ramifications of the Religious Land Use and Institutionalize Persons Act that will plague this project should it not pass. He felt that the College would make a fine addition to the community.

Bob Inlges felt that the majority of the Council has made up its mind and that it already knew what the motion would be prior to public comment. He stated that this has never been a healthcare issue or a hospital issue for him but a land use issue. He did not believe that the City should get involved and felt that free market should take place. He requested that the Council consider, as it votes other than for rezoning, the following truths: 1) the market place spoke which stated that a hospital cannot be sustained in Morgan Hill. 2) The College followed the rules and came in for the rezoning. Planning staff looked at the zoning law and found that the use is compatible and further recommended approval of the rezoning request. 3) This is an issue of property rights. He felt that the ramifications would be great should the zoning request be denied.

Donald Sweet felt that there is a need for medical care in the community. He said that there is nothing that states that a hospital has to be in place today. If the facility is used for urgent care, it can be expanded upon at a later date as the town grows and the needs grow. He questioned whether the marketplace really spoke or did CHW pull a wool over everyone's eyes by purchasing both hospitals fully intending to close one in order to make stipulations that the property could not be used for medical facilities. He noted that it was stated that urgent care can be implemented within six months if the facility is retained. He stated that as a senior who resides in a Mobile Home Park with 166 senior residing in the Park, the need is urgent to provide local medical care.

Reverend Mike Michaelson stated that he has been a member of the community for approximately 18 years. The facts state that the community already had the opportunity to support the hospital. He indicated that members of his congregation did not use the hospital because they needed special care. The population in Morgan Hill did not allow the ability to draw the special medical help that was needed. The congregation would travel to San Jose, Palo Alto, San Francisco and other places for specialty care and felt that this fact remains today. Because of the large number who do need medical care and need special care, he did not believe that the population in Morgan Hill would allow specialized care to grow into the hospital desired. It was his belief that it made sense, at this time, to support South County Hospital in a central location and an emergency care facility in Morgan Hill. He noted that Gilroy has had a hospital for many years and did not believe that it should lose its hospital so that Morgan Hill can have a hospital. It would be wrong for Morgan Hill to block the development of a thriving College. To put them on hold or to deny them the opportunity to provide wholesome and a positive influence in Morgan Hill would be a mistake.

Christina Uribe, political director for the South Bay Labor Council, stated that she was present this evening on behalf of the 100,000 working families that it represents in this county and several thousand which live in the City of Morgan Hill. She urged the City Council to deny the request for zoning. She stated that the

Labor Council often stands with the religious, educational and senior communities in unison on issues. She felt that it was unfortunate that you find them on opposite sides this evening. She stated that there are many individuals present this evening who are passionate about this issue on both sides of this debate. When emotions are involved, it is hard to make a clear and deliberate decision. In addition of support to deny the zoning request, she felt that it would be a disservice to the residents of Morgan Hill as well as those advocating both sides of the issue to delay a decision.

Susan Turner, Mission Ranch resident, indicated that she is a nurse practitioner and teaches nursing at Evergreen Valley College. She stated that she was stunned by the BRTF as it contained no new information. She agreed that medical services are needed. She stated that the community did not use the hospital because their doctors/specialist were located elsewhere. She did not believe that anything has changed since the hospital closed. If opened today, it was her belief that it would still be a financial disaster. She felt that the College would be a good neighbor. She did not believe that the facility was financially viable as a hospital. She noted that the community already has urgent care available and questioned the need to open another. She expressed concern about litigation as a taxpayer. She felt that a decision needs to be made as the College has been stalled enough. She stated her support to rezone the property and to allow the College to relocate to Morgan Hill.

Bryce Jessup, president of the College, stated that the College would not change the face of the neighborhood but put in new organs to the face the facility. He stated that he did not buy a hospital as the hospital was already gone when the College purchased an empty building in order to glorify the lord and to make a difference around the world. He hopes to have 1,600 students, but not on this campus. He stated that on line courses will be offered. He said that the College deeply desires to come to this community. He felt that the Christian College would be good for Morgan Hill as Morgan Hill would be good for the College. He wants to work together, noting that it is costing the College to have the building sit empty.

Ed Schmidt stated that he is a new member to the community and an alumnus of the College. He indicated that he is a product of what is being voted upon. He felt that what he contributes to his ministry is vital. Graduates of the College are serving their communities and serve a vital role in the moral characteristic and head the communities that they come from.

Karen Anderson, member of BRTF, stated that she understood that there is criticism due to lack of detail and identifying plans. She felt that it was important to keep in mind that what the BRTF is trying to achieve holding the building and that despite what Mr. Jessep states, the College purchased a hospital. Mr. Jessep's states in the Broadcaster that the hospital was the number one class building in our culture because it is a fire proof building and that it is built with 2.5 times the earthquake preparedness design of any other structure. The problem that the College is facing is that it purchased a hospital. She expressed concern that the community is losing doctors because they have no place to send their patients. She stated that the City Council represents the constituents of Morgan Hill. While the College would be good for the community,

the hospital is a need. In the survey and focus groups conducted by the BRTF, individuals state that a hospital is needed. She acknowledged that a full service hospital cannot be provided immediately and that the former hospital was not fully used. She indicated that the BRTF has found a number of operators who can financially provide medical services to this community while the building is held for the future. It is known that the future is coming with the development of Coyote Valley, Morgan Hill and county land. There is no question that within 5-10 years the community would be able to support a full service hospital in the community. She requested that the hospital facility be preserved as it would be cost prohibitive to replace it. She said that the Council needs to keep in mind that the heart and soul of the community is in the hospital.

Joe Wommack, vice president of advancement and student life at the College, requested that the City Council ask questions of the College, especially as they relate to the honesty of the College's intentions. He felt that terms were being used such as "arena" to describe the basketball gymnasium. He wanted the Council to understand what small college athletics is all about in terms of attendance. He indicated that the College does not have 200-300 individuals attending basketball games. The college does not have arena type dreams for its athletic programs. The College will need to build a gymnasium. He indicated that the College was asked to provide detailed architectural plans for a gymnasium but that they are not available. He is in charge of athletics and capital campaigns. He assured the City Council that the capital campaign and the sale of the property are designed solely to purchase the property and to renovate the existing building. No other financing is planned to occur. In response to Council Member Carr's question, he indicated that none of the existing athletic programs would be lost if the College relocates to Morgan Hill as it would be feasible to rent facilities to continue athletic programs.

Jim Wright recommended that the City Council look at the basketball facility built at the County School and the one at St. Catherine's Church. He asked how these facilities got built? He noted that another medical facility exists off of Tennant Avenue, the San Jose Good Samaritan facility. He asked if the property north or south of the Tennant Avenue site can be taken over by the City Council by eminent domain?

Liz Stanley, director of the music department at San Jose Christian College, requested City Council approval of the zone change as she can envision the music department's growth in this facility.

Robert Bennich requested that the City Council accept the recommendation of the Planning Commission and the BRTF and not change the current zoning of the Cochrane/Mission View property site. He agreed that a four-year college would be good to have in the community. However, he felt that the most good can be done for the majority of the residents by maintaining the present zoning for use as a medical facility and for medical services. He felt that it would be easier for the College to construct a building in another location than to find another piece of property and construct a similar medical building. The current location is perfectly situated to provide medical services for the majority of the people in an easy accessible place. It is even better suited for emergency services as it is located off the Cochrane Road exit, off of Highway 101. He felt that this is the perfect facility in which physicians can practice medicine. He felt that it would

be appropriate for the Council to work with the College to help them find another suitable piece of property where they can construct their facility. The College students would be a positive influence on their city and that the facility/staff would enhance the city. However, the bottom line is that the City must not lose this valuable building located in a special area and designed to be used for the maximum benefit of all residents of the city and surrounding areas.

Dr. Edrington stated that he has listened to all of the public's comments. In light of the additional matters that have been raised and documents brought forward, it would be prudent for the College to explore many of the unresolved questions and be able to share his findings at another time. He recognized the need for urgent care and physicians. The College would not feel that its mission would be complete if they didn't fully explore and further considered these potential solutions to the needs. He would like to explore this to see if there is any way that the College and the City could work together to help solve both needs. He requested that the City Council consider granting a two-week continuance.

Planning Manager Rowe informed the City Council that staff indicated to the applicant that there were two approaches that they can take with respect to their request based on the initial application. 1) Provide additional information to make a complete application. Based on the information, staff would determine the extent of additional environmental analysis that would be required. The College's response was that they were not prepared to go to this level of specificity since they did not know how they were going to proceed. 2) Scale back their application to involve the reuse of existing buildings only. He indicated that the applicant selected option 2 with a resubmittal in August 2000. He indicated that with the scaled back application, he cautioned the applicant that this direction would be contrary to the Commission's past practices and may result in objections being raised by Commissioners. The applicant understood that this was contrary to the Planning Commission's practice and that there may be those objections.

City Attorney Leichter clarified that there have been several documents referred to this evening, including the demolition plan, the original plan submitted in May 2000, and the issues which have been referred to by Mr. Mulligan and other individuals relating to the Broadcaster. She stated that these documents would be submitted to complete the record, in addition to the documents referred to by Mr. Rowe. She requested that the applicant lodge any objections to this at this time. She indicated that the City Council asked questions about the original plan to determine as to why the architect was retained, and these questions were primarily in response to Mr. Rowe's testimony about the gymnasium. She felt that the record was unclear as to what the original architect was retained to do (scope of work).

Dr. Edrington stated that the scope of work for the original architect was to prepare a master plan that could be considered for the entire property with the existing boxes already in place. He understood that there was general discussion about the gymnasium. He stated that no plans have been drawn for the College's gymnasium. In response to Mayor Kennedy's inquiry, he stated that he could not identify the date when the architect was first brought on board for the project.

Planning Manager Rowe indicated that his meeting with the original architect and Mr. DeYoung took place on February 23, 2000 and that the original development plans were submitted on May 22, 2000.

No further comments being offered, the public hearing was closed.

Mayor Kennedy stated that this is a difficult decision for the City Council and everyone involved. He addressed the history of the hospital site. He stated that over the past several years, many people have been trying to save the hospital in Morgan Hill. However, their attempts were unsuccessful in getting Catholic Healthcare West (CHW) to do so as they chose to close the facility, switching their operations to their facility in Gilroy. The City tried a variety of means to preserve/restore medical services in Morgan Hill. He stated that it has been a painful and tragic experience resulting from the closure of the hospital. There has been a lot of emotion and passion involved. However, this is not what is driving his position/decision. He has heard the stories of many Morgan Hill residents who are unable to receive emergency care in time as there are excruciatingly long waits when they get to the emergency room. The seniors have been hit especially hard with the loss of emergency services. If this was not enough, the City is faced with the terrible loss of many primary/special care physicians. Not only did CHW close the hospital, they closed the medical offices and forced the doctors to move out of the community. They did not allow them to stay in the existing space, terminating the doctors' leases. Morgan Hill is facing a crisis in terms of medical service needs. He felt that the City must act to help its seniors, families and the community. The issue before the City Council this evening is a request to change the zoning of the former St. Louise site to a zoning that would allow a college to take over the site and the hospital facility. He noted that this is the only site zoned for a hospital in the community. As much as he would like to see a private college in the community, he could not support locating/building it on this site as it is the wrong location for a college. Many residents and community members have expressed this concern. In order to preserve the community hospital site, the City Council must deny the request to change the zoning. He felt that this action must be taken this evening. To delay the decision would delay the process to rebuild medical services and to ultimately restore hospital services in Morgan Hill.

Action: *Mayor Kennedy made a motion, seconded by Council Member Chang, to **deny** the request for rezoning by minute action and to **direct** staff to prepare a resolution expressing its findings and basis for denial.*

Council Member Chang stated that she is a religious person and that she has been praying for God to provide her direction. She stated her support for the motion as medical services are very important to the community and that it is her job to make sure that it is made available. She indicated that three months ago, she worked with representatives from the College to achieve a win-win solution. She indicated that she has not yet received a response from the College representatives.

Council Member Tate did not believe that there were two sides on this issue as he has heard an overwhelming majority of individuals state that they want medical services in Morgan Hill and that they also

want a college in Morgan Hill. He said that the City Council wants to make this happen. He noted that a lot of information was presented this evening to reflect upon. He recommended that the City Council honor the request made by Dr. Edrington of continuing this item. Therefore, he would not support the motion of denial and that he would like to introduce a motion to honor the request for a two-week continuance.

Council Member Carr stated that he attended this meeting not knowing what his position would be. He noted that the applicant has requested that this item be delayed in order to be able to answer some of the questions that they were not able to answer this evening. He felt that the City should honor the request for continuance as the City Council has granted continuances in the past and that this would not be a new practice to give an applicant additional time. As a new Council Member, he would appreciate additional time in order to allow him to continue to study this issue in order to allow him to reach a decision. He stated his support of Council Member Tate's position on granting the request for a continuance. He also felt that there were other pieces of information that would come forward in two weeks.

Mayor Pro Tempore Sellers stated that he has reached a tentative conclusion on this issue. He noted that this is a zoning application and that the City Council is obligated to consider the zoning issue. He felt that government has two purposes: 1) it was created to protect each other (e.g., provide basic services such as police and fire), and 2) to perform things collectively that cannot be done better individually or privately. He felt that in some way this application request was a combination of both. He stated that zoning does have an impact because the city has to look at what an individual wants to do on their property. He indicated that there have been projects in his neighborhood that severely impacted the neighborhood. He said that the College may or may not have impacts on the city and felt that the City Council has to consider these. He stated that he was impressed by the College and with the student speakers present this evening. The students addressed the mission that they have to fulfill. He was anxious about their ability to fulfill their mission at this site. He expressed concern with the immediate impacts to the neighborhood and with the ultimate long term impacts. Should the City Council approve the rezone request, the City would end up in a situation where there would be an implied agreement that this is a good project and that the College would want to proceed. This would make it difficult in the future to look at future growth and future expansions which may not be favorable predisposed. He felt that it was important not to give up the hospital zoning until it is known what the City will be looking at in the future. It is too valuable a resource for the City to give up without a set plan in place. He felt that the BRTF has been charged with a difficult task, noting that they have not finished their charge. He felt that they are pointing toward a direction that is worth exploring. He felt that the City was at a point where denial would be the best way to go. However, it is important to give the applicant the opportunity to return with information they consider to be important. He would support a two week continuance. He felt that the City Council needs to make a commitment to the community that it would not delay action beyond the two weeks under any circumstances. In two weeks, the City Council can consider information submitted and make a final decision at that time.

Council Member Chang asked if a delay of two weeks impacted the Permit Streamlining Act?

City Attorney Leichter responded that it is the City's position that this action is a legislative decision which is not subject to the Permit Streamlining Act. Should there be an issue in this regard, she noted that the applicant has requested the continuance and therefore would not be subject to the Permit Streamlining Act.

Council Member Chang recommended that discussion be limited to certain items should the application be continued.

City Attorney Leichter stated that the City Council can limit the continued public hearing purely to comments upon the items that the applicant brings forward which are not duplicative of the issues considered this evening. She felt that it would be acceptable to have the applicant present new material/information. However, the Council would have to allow public comments only on the new information and not on the information presented this evening.

Action: *Mayor Kennedy withdrew his motion.*

Action: *Council Member Tate made a motion, seconded by Council Member Carr, to continue the application to February 21, 2001 for the limited purposes of allowing the applicant to present new material and to limit public comment purely on the new material.*

Mayor Kennedy stated that he would be opposing the motion because it was his belief that the City Council has to make a decision and move on.

Vote: *The motion carried 4-1 with Mayor Kennedy voting no.*

City Attorney Leichter recommended that the public hearing be continued to February 21, 2001 and that discussion be limited to the items as stated under the previous motion. This recommendation is based on the fact that it cannot be guaranteed that a public notice for the new hearing can be made. As the City Council closed the hearing, the City would have to renote the public hearing. She requested that the City Council reconsider the vote and that the City Council continue the public hearing to February 21, 2001 for the limited purposes stated.

Action: *On a motion by Council Member Tate and seconded by Council Member Carr, the City Council unanimously (5-0) agreed to reconsider the motion.*

Action: *On a motion by Council Member Tate and seconded by Council Member Carr, the City Council, on a 4-1 vote with Mayor Kennedy voting no, continued the public hearing to February 21, 2001 for the limited purposes previously stated.*

Vice-chairman Sellers recommended that the BRTF report be continued to February 28, 2001 as he felt

that the discussion of both the zoning amendment and the BRTF report would be difficult to consider both items on the same evening.

Mayor Kennedy felt that the BRTF information could be helpful in the evaluation of the zoning amendment request.

Mayor Pro Tempore Sellers did not believe that an extension of the BRTF report to February 28 would delay the formation of a foundation.

Council Member Carr did not believe that the action taken this evening would affect healthcare in the community. He would find it advantageous to hear what the BRTF has to say on February 21.

City Attorney Leichter stated that it would be preferable to keep the issues separate. However, staff could discuss certain protocols to try to maintain the confidentiality of the issues that need to be maintained confidentially should the City Council desire to have both matters considered on February 21.

Council Member Chang indicated that she did not want to consider both issues on February 21. She noted that City Attorney has advised the Council not to consider both issues the same evening.

Mayor Kennedy noted that there appears to be a majority of the City Council in support of keeping the two issues separate. Therefore, two separate meetings would be held: the zoning application to be heard on February 21, and the BRTF report on February 28.

CLOSED SESSION CLARIFICATION

City Attorney Leichter clarified for the record that the City Council reconvened the closed session during the prior break and that the City Council continued its closed session discussion. She indicated that there was no reportable action taken at the closed session.

8. APPEAL OF CODE ENFORCEMENT ACTION - 17175 BIRCH WAY

Mayor Kennedy opened the public hearing. No comments were offered.

Action: *By consensus, the City Council **continued** the public hearing for this item to February 21, 2001 at the request of staff.*

9. EXCEPTION TO INSTALL STREET FRONTAGE IMPROVEMENTS AT 18980 MONTEREY ROAD

Director of Public Works Ashcraft presented the staff report. Mayor Kennedy opened the public hearing.

No comments being offered, the public hearing was closed.

Action: *On a motion by Council Member Tate and seconded by Mayor Pro Tempore Sellers, the City Council unanimously (5-0) **Made** a finding that installation on such a small scale would be uneconomical, could create a safety problem, and that said improvements can hereafter be installed more economically and efficiently as a portion of a larger project.*

Action: *On a motion by Council Member Tate and seconded by Mayor Pro Tempore Sellers, the City Council unanimously (5-0) **Granted** exception to the requirement to install street frontage improvements with payment in lieu of the proposed improvements at 18980 Monterey Road for the Noah's Ark Pre-school and Day Care.*

OTHER BUSINESS:

10. ANIMAL CONTROL PROPOSALS (CONTINUED FROM 1/17/01)

City Manager Tewes stated that it was staff's recommendation that this item be continued to February 21, 2001. He indicated that this item cannot be continued beyond this date if the City Council is to adopt ordinances in conformance with others to be adopted throughout the County by similar agencies.

Action: *It was the consensus of the City Council to **continue** this item to February 21, 2001.*

SECOND READING OF ORDINANCE:

Action: *On a motion by Council Member Chang and seconded by Mayor Pro Tempore Sellers, the City Council **adopted** Ordinance Nos. 1495, 1501, 1502, and 1503, New series, as follows:*

11. ADOPTED ORDINANCE NO. 1495, NEW SERIES

An Ordinance of the City Council of the City of Morgan Hill Amending Chapter 2.12, Title 18 Divisions I and II, and Adding Chapter 2.56 of the Morgan Hill Municipal Code Establishing the Architectural and Site Review Board and Amending Specific Provisions Pertaining to Design Review by the following roll call vote: AYES, Carr, Kennedy, Sellers, Tate; NOES: None; ABSTAIN: Chang; ABSENT: None.

12. ADOPTED ORDINANCE NO. 1501, NEW SERIES

An Ordinance of the City Council of the City of Morgan Hill Amending Ordinance No. 559 New Series, by Rezoning 55 Acres Located at the Southeast Corner of Cochrane Road and Peet Road from County A-20 to City R-1(12,000). (APNs 728-34-003 & -004) by the

following roll call vote: AYES, Carr, Kennedy, Sellers, Tate; NOES: None; ABSTAIN: Chang; ABSENT: None.

13. ADOPTED ORDINANCE NO. 1502, NEW SERIES AND ORDINANCE NO. 1503, NEW SERIES

ORDINANCE NO. 1502, NEW SERIES *An Ordinance of the City Council of the City of Morgan Hill Approving a Zoning Amendment to Establish a Precise Development Plan for a 58 Lot Single-family Housing Project on a 20-acre Site Located on the South Side of E. Dunne Ave. Adjacent to the East Side of the Church Located at 1790 E. Dunne Ave. (APN 817-19-009 & 49) by the following roll call vote: AYES, Carr, Kennedy, Sellers, Tate; NOES: None; ABSTAIN: Chang; ABSENT: None.*

ORDINANCE NO. 1503, NEW SERIES *An Ordinance of the City Council of the City of Morgan Hill Approving a Development Agreement for a 40 Unit (2 Existing) Single-family Housing Project on a 20-acre Site Located on the South Side of E. Dunne Ave. Adjacent to the East Side of the Church Located at 1790 E. Dunne Ave. (APN 817-19-009 & 49) by the following roll call vote: AYES, Carr, Kennedy, Sellers, Tate; NOES: None; ABSTAIN: Chang; ABSENT: None.*

City Council & Redevelopment Agency Action

CONSENT CALENDAR:

Action: *On a motion by Council/Agency Member Tate and seconded by Council/Agency Member Chang, the City Council unanimously (5-0) **Approved** Consent Calendar item 15 and approved Consent Calendar items 16 and 17 (4-1 with Council Member Chang) abstaining as follows:*

15. APPROPRIATION OF FUNDS FOR RIGHT-OF-WAY ACQUISITION AND DESIGN SERVICES AND APPROVAL OF PROFESSIONAL SERVICES AGREEMENT FOR DESIGN OF BUTTERFIELD BOULEVARD EXTENSION FROM SAN PEDRO TO TENNANT

Actions):

Redevelopment Agency Action:

Appropriated *\$1,851,660 from the Current Unappropriated RDA Fund Balance for Right-of-Way Acquisition for the Extension of Butterfield Boulevard from San Pedro to Tennant and for Consultant Design of the Roadway, and*

City Council Action:

***Authorized** the City Manager to Execute a Professional Services Agreement with MH Engineering for Design of Butterfield Boulevard from Tennant Avenue to San Pedro Avenue in the Amount of \$101,660.*

16. JOINT CITY COUNCIL AND SPECIAL REDEVELOPMENT AGENCY MINUTES OF JANUARY 17, 2001

***Action:** Approved the minutes as written.*

17. JOINT SPECIAL CITY COUNCIL AND SPECIAL REDEVELOPMENT AGENCY MINUTES OF JANUARY 17, 2001

***Action:** Approved the minutes as written.*

18. JOINT REDEVELOPMENT AGENCY AND SPECIAL CITY COUNCIL MINUTES OF JANUARY 24, 2001

***Action:** Approved the minutes as written.*

CLOSED SESSION:

City Attorney/Agency Counsel Leichter announced the below listed closed session items. She noted that closed Session Item 2 should read "two" potential cases and not "one." The second case was based on a letter received January 24, 2001 from William Dahlin threatening litigation.

1.

CONFERENCE WITH LEGAL COUNSEL - POTENTIAL LITIGATION

Legal Authority: Government Code 54956.8
Property: APN 817-13-001; 37.8 acres (soccer complex)
Negotiating Parties:
 For City: City Manager, City Attorney, Public Works Director
 For Property Owners: Tadashi & Alice A. Kadonaga, Trustee
Under Negotiation: Price and Terms of Payment

2.

CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to subsection (b) of Government Code section 54956.9 (one potential case)

3.

CONFERENCE WITH REAL PROPERTY NEGOTIATOR

Legal Authority: Government Code 54956.8
Property: APN 817-13-001; 37.8 acres (Soccer Complex)
Negotiating Parties:
 For City: City Manager; Public Works Director
 For Property Owners: Tadashi & Alice A. Kadonaga, Trustee
Under Negotiation: Price and Terms of Payment

4.

CONFERENCE WITH LEGAL COUNSEL - REAL PROPERTY NEGOTIATOR

Legal Authority: Government Code 54956.8
Real Property Involved: 3.85, 9.04, and 17.58 acre parcels located on the east side of Condit Road, bound by Condit Road, Tennant Avenue, Barrett Avenue and Murphy Avenue (APNs 817-13-008 & 011 and 017)

Negotiating Parties:
 For City/Agency: City Manager/Executive Director; Interim City Attorney/Agency Counsel; Director of Business Assistance & Housing Services
 For Property Owners: T&C Development, LTD Partnership; Kathleen Sergi, Virginia Lomanto Trustee
Closed Session Topic: Acquisition of Real Property

5.

CONFERENCE WITH LEGAL COUNSEL - POTENTIAL LITIGATION & CONFERENCE WITH REAL PROPERTY NEGOTIATOR

Legal Authority: Government Code Section 54956.8 & 54956.9©
Property: APN 825-06-002, 003, 029, 030; 36.6 acres (Railroad/Maple - Butterfield Retention Basin Site)

Negotiating Parties:
 For Property Owners: Costa Family Partners
 For City: Director of Public Works; F. Gale Connor; City Manager, City Attorney
 Under Negotiation: Price and Terms of Payment

OPPORTUNITY FOR PUBLIC COMMENT

Mayor/Chairman Kennedy opened the floor to public comment. No comments were offered.

ADJOURN TO CLOSED SESSION:

Mayor/Chairman Kennedy adjourned the meeting to closed session at 10:25 p.m.

RECONVENE:

Mayor/Chairman Kennedy reconvened the meeting at 11:58 p.m.

CLOSED SESSION ANNOUNCEMENT:

City Attorney/Agency Counsel Leichter announced that no reportable action was taken on the above listed closed session items

FUTURE COUNCIL-INITIATED AGENDA ITEMS:

ADJOURNMENT

There being no further business, Mayor/Chairman Kennedy adjourned the meeting at 11:59 p.m.

MINUTES RECORDED AND PREPARED BY:

Irma Torrez, City Clerk